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Bush Says Exposure Hurt Intelligence Effort

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PURCHASE, N.Y., Nov. 1 — Vice President Bush suggested today that United States intelligence gathering capabilities had suffered in the 1970's because of the exposure of American agents.

Mr. Bush made the comments as he defended the Administration's handling of terrorist attacks abroad in response to questions from the public outside the headquarters of PepsiCo Inc. The campaign stop was his last of several over the past two days in New York State.

In response to a question about the legislative priorities in a new Reagan term, he said the "legislative objective" would be to keep the recovery going, which would mean a continued effort to control the growth of Federal spending. Mr. Bush said the effort would start the "minute the election is over" and a budget for the next fiscal year was put together.

He Asserts Sources 'Dried Up'

The intelligence-gathering capabilities of the United States have emerged as an issue after three attacks on United States facilities in Beirut since Ronald Reagan became President. In recent weeks, his Democratic oppo-

nents have accused Mr. Reagan of failing to take proper precautions after warnings before two of the attacks.

Mr. Bush, a former Director of Central Intelligence, mirrored President Reagan's view by asserting that many of the United States' intelligence sources had "dried up" in the 1970's. He attributed the development to fear "that they would be exposed."

"I am convinced in the 70's we did lose sources when we had a lot of exposure," Mr. Bush said.

He was warmly received by the small crowd of people, many of whom work at the PepsiCo headquarters in this Westchester community.